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Walsh's Inquiry Into Iran Affair May Extend to '88

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WASHINGTON—Any criminal proceedings stemming from the Iran-Contra affair are bound to stretch into the heart of the 1988 election campaign, according to Lawrence Walsh, the independent counsel investigating the matter.

Mr. Walsh told reporters yesterday that the only way he can finish up his investigation this year is if he doesn't seek any criminal charges, and merely files a report with Congress. That outcome is considered unlikely.

The likelihood of delays in the criminal probe, however, has prompted renewed friction between Mr. Walsh and congressional investigators over granting immunity to additional important witnesses, including Thomas Clines, a former Central Intelligence Agency officer.

After a last-minute appeal from the independent counsel, the House committee investigating the affair agreed to shelve, at least temporarily, plans to grant limited immunity to Mr. Clines.

Mr. Walsh said his concern about granting immunity to Mr. Clines was "a prelude to other discussions" about major figures in the Iran-Contra affair still seeking immunity.

Mr. Walsh didn't elaborate, but congressional and law enforcement officials said that, among others, he was referring to retired Air Force Maj. Gen. Richard Secord.

Mr. Walsh also acknowledged that, to a large extent, his theory of the case focuses on whether Mr. Clines, Gen. Secord, fired White House aide Lt. Col. Oliver North and others engaged in a "possible combination to defraud the government."

Rep. Lee Hamilton (D., Ind.), chairman of the House committee, told reporters after a closed-door meeting with Mr. Walsh that it wouldn't "necessarily be illegal" if U.S. citizens or foreign middlemen made profits from the Iran-Contra affair. Mr. Walsh, for example, must determine whether all of the funds involved in the secret U.S. arms sales to Iran belonged to the government.

Meanwhile, the House committee, as expected, yesterday voted to grant limited immunity to Rear Adm. John Poindexter, the former White House national security adviser who resigned last November. As a general rule, Mr. Walsh urged the committees to grant immunity to potential targets of his investigation only if "there is no other way" to obtain information, and only if the testimony can be "checked out with other sources as to reliability."